

FISCAL NOTE

HB 2271 - SB 2245

February 28, 2004

SUMMARY OF BILL: Provides the following regarding the use or possession of counterfeit trademarks:

- Definition of *intellectual property* would be broadened to prohibit the unauthorized manufacture, sale, distribution, advertisement, or possession with intent to sell or distribute a recording used to identify goods or services;
- An offense involving sale, distribution, advertisement, or possession will be punished by fine and imprisonment in the same manner as theft, instead of fine only;
- Dollar basis used to determine fines and sentences of imprisonment will be based on the trademark owner's retail price for the item or service, not the offender's price;
- Number of items used to trigger the presumption of intent to sell or distribute a copyrighted mark would be reduced from 25 items to 10 items.

ESTIMATED FISCAL IMPACT:

Increase State Expenditures - \$10,000/Incarceration*

Assumes two additional Class E felony convictions each year for theft by use or possession of counterfeit trademarks.

**Section 9-4-210, TCA, requires that: For any law enacted after July 1, 1986, which results in a net increase in periods of imprisonment in state facilities, there shall be appropriated from recurring revenues the estimated operating cost of such law. The amount appropriated for operating cost, in current dollars, shall be based upon the highest cost of the next 10 years, beginning with the year the additional sentence to be served impacts the correctional facilities population.*

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James W. White, Executive Director

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